

SIKKIM



GOVERNMENT

GAZETTE

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**GOVERNMENT OF SIKKIM
LAW DEPARTMENT
GANGTOK**

No. 11/LD/2020

Dated: 07.10.2020

NOTIFICATION

The following Act passed by the Sikkim Legislative Assembly and having received assent of the Governor on 21st day of September, 2020 is hereby published for general information:-

**THE SIKKIM FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT
(AMENDMENT) ACT, 2020
(ACT NO. 11 OF 2020)**

AN

ACT

further to amend the Sikkim Fiscal Responsibility and Budget Management Act, 2010.

Be it enacted by the Legislature of Sikkim in the Seventy-first Year of the Republic of India as follows:-

Short title and
commencement

1. (1) This Act may be called the Sikkim Fiscal Responsibility and Budget Management (Amendment) Act, 2020.

(2) It shall come into force at once.

Amendment of
section 5

2. In the Sikkim Fiscal Responsibility and Budget Management Act, 2010, in section 5, in sub-section 1, after clause (b), the following proviso shall be inserted namely:-

"Provided that notwithstanding anything contained in section 5, the State Government shall have the additional borrowing capacity upto 2% of GSDP for the financial year 2020-21. The relaxation to the borrowing limits will be partly unconditional and partly conditional to:-

- (a) Implementation of One Nation One Ration Card System;
- (b) Ease of doing business reform;

- (c) Urban Local Body/ Utility reforms; and
- (d) Power Sector Reforms.

Weightage of each reform is 0.25 percent of GSDP totaling to 1 percent. The remaining borrowing limit of 1 percent will be released in two installments of 0.50 percent each – first as united and second on undertaking at least 3 out of the above named reforms.

The additional debt, while justifiable in the current situation, will need to be balanced against the need for long term debt sustainability, so that the excess borrowing undertaken now does not lead to adverse impacts in the future. In order to ensure sustainability, there is a need to increase future GSDP growth and future revenues and / or reduce unproductive future expenditures.

The State shall exhaust the aforesaid additional borrowing of 2 percent during the year 2020-21 (to the extent eligible) and it will not be allowed to carry forward to the subsequent years".

Jagat B. Rai (SSJS)
L.R-cum-Secretary
Law Department